

So Ordered.

Signed this 8 day of May, 2019.



Margaret Cangilos-Ruiz

United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

CENTERSTONE LINEN SERVICES, LLC,
ATLAS HEALTH CARE LINEN SERVICES CO., LLC,
ALLIANCE LAUNDRY & TEXTILE SERVICE, LLC,
ALLIANCE LAUNDRY AND TEXTILE SERVICE OF
ATLANTA, LLC, and
ALLIANCE LTS WINCHESTER, LLC
*d/b/a Clarus Linen Systems*¹,

Debtors.

)
)
) Case Nos.
) 18-31754 (main case)
) 18-31753
) 18-31755
) 18-31756
)
) 18-31757
)
) Chapter 11 Cases
) Jointly Administered
)
)

**ORDER ADJOURNING HEARING TO APPROVE
SALE OF NORTHERN ASSETS TO SUCCESSFUL BIDDER
AND ADJOURNING RELATED MOTION HEARINGS**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Centerstone Linen Services, LLC d/b/a Clarus Linen Systems (5594) ("Centerstone"); Atlas Health Care Linen Services Co., LLC d/b/a Clarus Linen Systems (2681) ("Atlas"); Alliance Laundry & Textile Service, LLC d/b/a Clarus Linen Systems (8284) ("Alliance"); Alliance Laundry and Textile Service of Atlanta, LLC d/b/a Clarus Linen Systems (4065) ("Atlanta"); and Alliance LTS Winchester, LLC d/b/a Clarus Linen Systems (0892) ("Winchester").

Upon consideration of the motion (the “Motion”)² filed by debtors Centerstone Linen Services, LLC d/b/a Clarus Linen Systems (“Centerstone”) and Atlas Health Care Linen Services Co., LLC, d/b/a Clarus Linen Systems (“Atlas”), debtors and debtors in possession (collectively, the “Debtors”) in the captioned cases, for entry of an order pursuant to sections 105 and 363 of title 11 of the United States Code (the “Bankruptcy Code”) and Bankruptcy Rule 6004: (A)(i) authorizing the sale of substantially all of the Debtors’ assets (the “Purchased Assets”), free and clear of all liens, claims, interests and encumbrances, subject to the terms of an Asset Purchase Agreement and subject to higher and/or better offers; and the Court having entered an *Order Pursuant to Sections 363 and 105 of the Bankruptcy Code: (A)(1) Setting Deadline and Approving Requirements and Procedures for interested Parties to Submit Competing Bids for Substantially All Assets of Debtors Centerstone Linen Services, LLC d/b/a Clarus Linen Systems and Atlas Health Care Linen Services Co., LLC, d/b/a Clarus Linen Systems; (2) Approving Form of Purchase Agreement; (3) Scheduling an Auction; (4) Setting Hearing Date to Approve Sale of Assets to Successful Bidder; and (5) Approving Procedures With Respect to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (B) Approving Form and Manner of Notice* on March 20, 2019 [Dkt. No. 299] (the “Bidding Procedures Order”); and certain objections with respect to the Debtors’ proposed assumption and assignment of executory contracts and unexpired leases having been filed, including, without limitation, the objection of Catholic Health System, Inc., Mercy Hospital of Buffalo, Sisters of Charity Hospital of Buffalo, New York, Kenmore Mercy Hospital and Mount St. Mary’s Hospital of Niagara Falls [Dkt. Nos. 328 and 332] (collectively, the “CHS Objection”); and the Court having entered an Order amending the Bid Deadline, Auction date, Sale Hearing date, and

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion, Purchase Agreement and/or the Bidding Procedures Order as amended, as applicable.

other dates set forth in the Bidding Procedures Order on April 11, 2019 [Dkt. No. 349]; and the Court having entered Text Orders further amending the Bid Deadline, Auction date and Sale Objection date on April 12 and 26, 2019 [Dkt. Nos. 354 and 376]; and the Debtors having received a bid from Clean Textile Systems, L.P. ("Clean Textile") for the Buffalo Assets only; and the Court having convened a Status Conference on May 7, 2019 concerning the proposed sale of the Purchased Assets and several pending motions; and the Debtors having requested additional time to review and respond to the bid submitted by Clean Textile and an adjournment of the Sale Hearing; and upon due deliberation of the Court and good cause therefor, it is hereby

ORDERED, that the Bidding Procedures Order is further amended and the Sale Hearing is adjourned from 11:00 a.m. on May 8, 2019 until 11:00 a.m. on May 22, 2019 in Syracuse, New York; and it is further

ORDERED, that the Debtors shall have until May 17, 2019 to execute a final Asset Purchase Agreement with Clean Textile, acceptable to HSBC Bank and the Committee, for the purchase of the Buffalo Assets (the "Final APA"); and it is further

ORDERED, that the hearings to consider the objections filed with respect to the proposed sale of the Purchased Assets are adjourned from 11:00 a.m. on May 8, 2019 until 11:00 a.m. on May 22, 2019; and it is further

ORDERED, that any additional objections to the proposed sale of the Buffalo Assets shall be filed with the Court no later than 12:00 p.m. on May 21, 2019; and it is further

ORDERED, that the Debtors shall file with the Court a Sale Report concerning proposed sale of the Buffalo Assets no later than 12:00 p.m. on May 20, 2019; and it is further

ORDERED, that the hearings to consider the objections filed or deemed filed with respect to the Debtors' proposed assumption and assignment of executory contracts and

unexpired leases, including, without limitation, the CHS Objection, and all objections filed or deemed filed with respect to cure amounts, are adjourned from 11:00 a.m. on May 8, 2019 until 11:00 a.m. on May 22, 2019; and it is further

ORDERED, that the hearings to consider the Motions filed by (i) Altus Management, LLC [Dkt. No. 216], (ii) Mount St. Mary's Hospital of Niagara Falls [Dkt. No. 219]; (iii) the Catholic Health System and its affiliates [Dkt. No. 220], and (iv) Kaleida Health, Erie County Medical Center, Eastern Niagara Health Center and Niagara Falls Memorial Medical Center [Dkt. No. 225] seeking orders directing the Debtors to reject certain executory contracts (collectively, the "Buffalo Hospital Motions") are adjourned from 11:00 a.m. on May 8, 2019 until 11:00 a.m. on May 22, 2019; and it is further

ORDERED, that the evidentiary hearing with respect to the Buffalo Hospital Motions, and with respect to the objections filed or deemed filed with respect to the Debtors' proposed assumption and assignment of executory contracts and unexpired leases, including, without limitation, the CHS Objection, and with respect to the objections filed or deemed filed with respect to cure amounts, currently scheduled to be held at 10:00 a.m. on May 9, 2019 [Dkt. No. 354], shall be adjourned indefinitely, pending further order of this Court; and it is further

ORDERED, that the Buffalo Hospital Motions shall be deemed to be objections that were timely filed by those moving parties with respect to the Debtors' proposed assumption and assignment of executory contracts and unexpired leases, and with respect to the Debtors' proposed cure amounts, subject to such amendment as shall be appropriate in the discretion of said moving parties in the event that any evidentiary hearing on assumption or rejection goes forward; and it is further

ORDERED, that the hearing to consider the Motion filed by landlord ACN Companies, LLC seeking to compel the Debtors to comply with post-petition obligations due under a lease of real property [Dkt. No. 85] shall be adjourned until 11:00 a.m. on May 22, 2019; and it is further

ORDERED, that in the event the Debtors do not execute a Final APA with Clean Textile by May 17, 2019, the Debtors shall notify the Court and may request further amendments of dates set forth in the Bidding Procedures Order as amended, as appropriate; and it is further

ORDERED, that the Court shall retain jurisdiction concerning all matters arising in connection with the implementation of this Order.

#